

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------------|----------------------|
| (1) DEPARTMENT Administrative Office | (2) MEETING DATE 12/3/2013 | (3) CONTACT/PHONE Robert Cone 781-5011 | |
| (4) SUBJECT Hearing to consider an ordinance amending the County Fee Schedule "A" effective January 3, 2014 for calendar year 2014 and fee schedule "B" effective July 1, 2014 for Fiscal Year 2014-15. | | | |
| (5) RECOMMENDED ACTION It is recommended that the Board approve the ordinance amending the County fee schedule "A" effective January 3, 2014 for calendar year 2014 and fee schedule "B" effective July 1, 2014 for Fiscal Year 2014-15. | | | |
| (6) FUNDING SOURCE(S) User Fees | (7) CURRENT YEAR FINANCIAL IMPACT N/A | (8) ANNUAL FINANCIAL IMPACT N/A | (9) BUDGETED? N/A |
| (10) AGENDA PLACEMENT { } Consent { } Presentation {X} Hearing (Time Est. <u>30</u>) { } Board Business (Time Est. <u> </u>) | | | |
| (11) EXECUTED DOCUMENTS { } Resolutions { } Contracts {X} Ordinances { } N/A | | | |
| (12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A | | (13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: { } 4/5 Vote Required {X} N/A | |
| (14) LOCATION MAP | (15) BUSINESS IMPACT STATEMENT? No | (16) AGENDA ITEM HISTORY { } N/A Date: <u>Introduced November 5, 2013</u> | |
| (17) ADMINISTRATIVE OFFICE REVIEW Guy Savage | | | |
| (18) SUPERVISOR DISTRICT(S) - All Districts | | | |

County of San Luis Obispo



TO: Board of Supervisors

FROM: Administrative Office / Robert Cone
781-5011

DATE: 12/3/2013

SUBJECT: Hearing to consider an ordinance amending the County Fee Schedule "A" effective January 3, 2014 for calendar year 2014 and fee schedule "B" effective July 1, 2014 for Fiscal Year 2014-15.

RECOMMENDATION

It is recommended that the Board approve the ordinance amending the County Fee Schedule "A" effective January 3, 2014 for calendar year 2014 and fee schedule "B" effective July 1, 2014 for Fiscal Year 2014-15.

Discussion

Every year, County departments are asked to conduct a thorough analysis and justification for the fees they charge and to update their fee schedules. During the 1999 public hearing on the comprehensive fee schedule, the Board of Supervisors decided to review only proposed changes to the fee schedule each year and once every five years review all the fees charged for services by County departments. This review was done in 2009 for the FY 2010-11 fee cycle, and therefore, only fees that are changing in the FY 2014-15 cycle are before the Board today.

The majority of fee changes will go into effect July 1, 2014. In December 1999, the Board approved exceptions to this effective date for Parks, Golf Courses, and Airport parking fees. These fees were moved to Schedule "A" and become effective at the start of each calendar year in order to better serve customers and effectively manage the finances of these services. Probation fees were moved to Schedule "A" in November 2011. In November 2013, Clerk-Recorder fees for birth and death records as well as copies of records to government agencies were moved to Schedule "A" to bring them into better alignment the state statutory fee schedule.

Fees help offset the cost of services provided by many County departments. Examples of these services include animal adoption and registration, building permits, rental of County facilities, and passes to recreational facilities such as campgrounds and golf courses. Implementation of the fee schedule continues the Board's past practice of recovering costs from those who benefit from certain services the County provides beyond the basic, tax-supported services.

Updates to the fee schedule reflect Board of Supervisors' budget policy number 20, Cost Recovery through Fees, directing departments to recover costs through fees where reasonable and after all cost-saving options have been explored. As noted later in this staff report, not all fees are set at a level to allow for full recovery of costs (i.e. other funding sources, including the General Fund, offset some portion of these costs.)

Approach and Timing of the Fee Schedule:

At the conclusion of the hearing, a master fee schedule including adopted changes to the fees currently charged by the County will be produced and distributed to County departments and posted on the County's web site for the public.

Executive Summary

A total of 2,016 fees were reviewed by County departments. The majority of those fees, 1,517 or 75% are recommended to remain unchanged. Increases account for 14% or 288 of the fees while 150, or 7.4%, are decreasing. There are 34 (2%) new fees being proposed and 26 (1.6%) are being eliminated for a net of 1,989 fees.

The majority of fees (76%) are at full cost recovery. In many cases, those that are not are either kept below full cost recovery due to Board policy, or set by statute. Additionally, some fees are set lower than full recovery such as some Library fees to encourage the return of Library materials or Health Agency fees that are set below cost recovery in the interest of public health and safety.

This year, labor costs calculations for fees were based upon the current salary and benefit projection with no additional prevailing wage increase added. Additionally, the use of the Consumer Price Index (CPI) was an option as the April 2013 Los Angeles-Riverside Consumer Price Index for all Urban Consumers was .9%.

Procedures Used to Determine Fees:

Departments had the option not to make any changes to their current fee schedules if 1) the current fee was already at full cost recovery; 2) a time study or review of actual costs based on historical information did not indicate a fee change was warranted; or 3) there had been no change to statutory fees. Fee increases were determined by one of four methods depending on information available on the cost of providing the service:

1. Calculation of Actual Cost Based on Historical Information. This is the preferred method for determining fees. The actual cost of a service is usually calculated through the use of the County's cost accounting system.
2. Time-in-Motion Studies. Where large volumes of services are provided and it is impractical to determine the actual cost for each service, a time-in-motion study based on an average hourly rate is used.
3. Comparable Fee Survey. When cost accounting and time-and-motion studies are impractical, rates charged by comparable agencies for the service can also be used as cost indicators.
4. Use of Consumer Price Index (CPI): Departments had the option to use the consumer price index. The April 2013 Los Angeles-Riverside Consumer Price Index for all Urban Consumers is .9%.

The particulars regarding the fees are reported in the departmental summaries later in this staff report. Each summary contains a chart detailing the total number of fees that were reviewed for each department. The chart indicates the number of fees that are increasing, decreasing, deleted, or are new or unchanged. Briefly, some of the more significant changes proposed by departments are:

Golf

Golf is proposing to increase 54 of 101 fees (50%), many of which have not been increased since 2009. These proposed increases will create additional revenue which will enable Golf to cover operating costs, make facility improvements and provide funding for maintenance projects.

Airports

Airports is proposing to increase 3 of 9 fees, representing Long-Term, Short-Term and Tenant Parking rates. On July 23, 2013, Airports presented a report on the financial condition of the Airport. Several potential measures to address operational imbalances were presented by staff, including the possibility of increasing Airport fees. Parking rates at the Airport have not been increased since 2007 and have been identified as fees that might be increased to generate additional revenue.

Other Agency Involvement

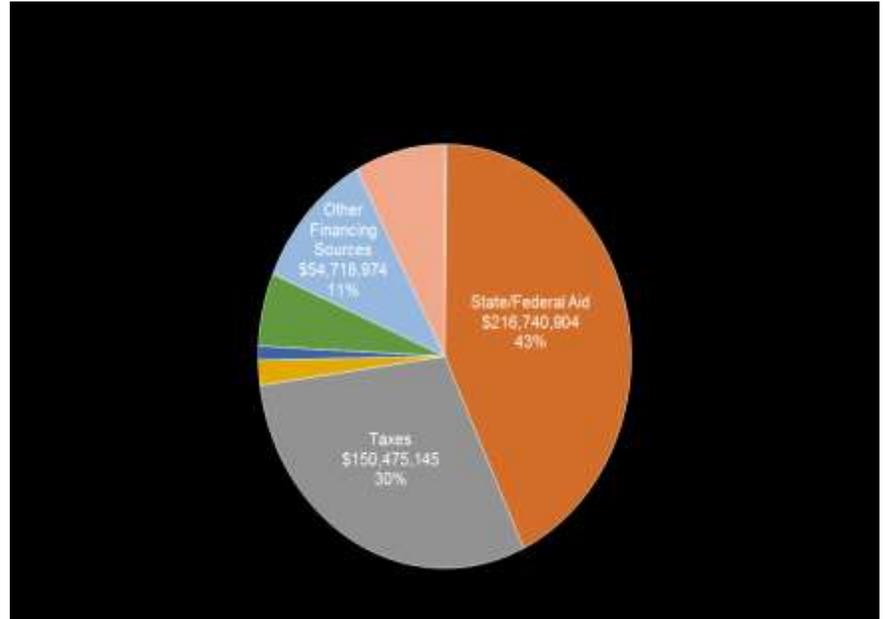
All departments that charge fees are responsible for updating their fee schedules, supported by actual cost calculations or

other methods as mentioned above. The proposed fees have been reviewed and approved by the appropriate commissions and advisory bodies. All calculations are reviewed by the Auditor-Controller's Office who approves them prior to the recommended fees being submitted to the Administrative Office. The Administrative Office reviews all proposed changes for policy implications and to ensure the requested fee does not exceed actual costs. County Counsel has reviewed the fee authority and fee ordinance for form and legal effect.

Financial Considerations

Fees help to offset the cost of providing County services to those who benefit from services that exceed basic tax-supported services. Fees for services, including licenses, permits, fines and forfeitures represent approximately \$43.2 million of the County's sources of financing for Fiscal Year 2013-14. This compares to other major revenue sources including \$216.7 million of State and Federal Aid and \$245.4 million in sale, property, and other taxes and revenues as well as fund balance/reserves. For FY 2013-14 fees represent approximately 5.6% of revenues. Historically, fees for services, including licenses, permits, fines and forfeitures, have averaged 10% to 13% of revenues.

Please note that fees as a percentage of funding in FY 2014-15 are unknown at this time since the budget for FY 2014-15 has not yet been created. However, based on preliminary estimate by departments, fee for services revenue (excluding licenses, permits, fines and forfeitures), will increase by approximately .36% (\$1.8 million) for FY 2014-15 as compared to FY 2013-14 budgeted levels of \$28.16 million. A main driver for this increase in revenue is an expected increase of \$1.3 million in Behavioral Health, This increase is due to the projected volume of Mental Health Services provided as well as changes in our ability to recover costs through Medi-Cal reimbursements as a result of AB 1297. Revenue projections are preliminary and departments will refine their projections as part of their budget submittal for FY 2014-15.



Results

The public hearing will provide an opportunity for the public and the Board of Supervisors to discuss cost-recovery through fees, how fees are calculated, and the difference between tax-supported services and fee-supported services. Implementation of the fee schedule will continue the Board of Supervisors' past practice of recovering costs from those who benefit from certain services the County provides beyond the basic, tax supported services.

SUMMARY OF CHANGES TO CURRENT FEES
Summary of Schedule A – Fees effective JANUARY 3, 2014

Airports - Fund Center 425 (parking fees only)

As shown in the chart below, the Airport has a total of 9 fees in their proposed fee schedule for FY 2014-15 Airport parking fees.

| Total # of Fees | # Fees Unchanging | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|------------------------|--------------------------|--------------------------|--------------------------|-------------------|-----------------------|----------------------|
| 9 | 6 | 3 | 0 | 0 | 0 | 9 |

Fees for the parking of automobiles at the San Luis Obispo Airport take effect in January and are part of the Schedule A Fee Schedule. The FY 2014-15 Airport fee schedule is based upon market surveys and includes a total of nine parking fees. The proposed fee schedule includes three fees that are to be increased, while the remaining six fees are unchanged.

Long Term Parking, Short Term Parking, and Tenant Parking are all proposed to increase. The proposed increases are all consistent with recent conversations about opportunities to ensure the ongoing fiscal health of County Airports. Staff recently presented a report on the financial status of County Airports, based on the Board’s concerns about Airports use of cash balance and a potential need for the County to subsidize the cost of Airport operations in the future. Staff presented several potential measures to address operational imbalances, including the possible increase of Airport fees. Parking rates at the Airport have not been increased since 2007 and as such, were identified as fees that might be increased in order to generate additional revenues.

The Long Term Parking fee is being proposed to increase from \$8.00 to \$9.00 which is a 13% increase. The Short Term Parking fee is proposed to increase from \$12.00 to \$13.00, an increase of 9%. After these proposed increases, the parking rates for both long and short term parking will still be less than the average parking rates charged at comparable airports in California. The Tenant parking permit is currently \$5.00 per year and is proposed to increase to \$10.00 which is a 100% increase. This fee is still significantly lower than other comparable airports and the increase is requested to recover the cost of buying and issuing the annual permit. As this fee is only charged annually, it is not anticipated that a \$5.00 increase will be cost prohibitive to tenants. Proposed increases to parking fees are needed to help the Airport support maintenance, operations and to promote general Airport safety.

Clerk-Recorder – Fund Center 110

As shown in the chart below, the fee schedule workbook being submitted by the Clerk-Recorder’s Office contains a total of 3 proposed Schedule A fees.

| Total # of Fees | # Fees Unchanging | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|------------------------|--------------------------|--------------------------|--------------------------|-------------------|-----------------------|----------------------|
| 3 | 0 | 3 | 0 | 0 | 0 | 3 |

The three fee increases proposed are in line with State statute which required increases in the fees for certified copies of birth and death records, and copies of birth records for government agencies. Assembly Bill (AB) 1053 authorized a \$6 increase for each of these fees over three years, with incremental \$2 increases in January 2012, 2013 and 2014. Due to the timing of these increases, these fees were moved to the Schedule A Fee Schedule last year, to ensure that the fees were able to go into effect in January and that the fee schedule was as accurate as possible. Consistent with AB 1053, each fee is again proposed to increase by \$2 in January 2014.

Golf – Fund Center 427

As shown in the chart below, the fee schedule workbook being submitted by General Services Agency- Golf contains a total of 101 fees:

| Total # of Fees | # Fees Unchanged | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted |
|------------------------|-------------------------|--------------------------|--------------------------|-------------------|-----------------------|
| 101 | 27 | 54 | 0 | 11 | 9 |

The methodology used to calculate proposed fees has not changed from prior years. All Golf fees are calculated based on a market survey to confirm that proposed fees align with fees charged by other operators in the local golf market. In addition to conducting market surveys, Golf staff engaged with golf course concessionaires, the Golf Course Advisory Committee and the Parks and Recreation Commission to develop consensus on proposed fee changes.

In summary, proposed fee changes include: elimination of the junior card volume program and creation of a junior fee which will be available seven days a week, the addition of a new extra/personal cart fee, increases to fees for 9-hole, Mid-day categories of play at Dairy Creek and Morro Bay, and Twilight categories of play at Chalk Mountain, and the offering of active military discounted fees on weekends, in addition to weekdays. Proposed changes to the fee schedule will improve consistency of fees among County Golf courses and will add value for customers. Further, the proposed fees better align the County's fees with the local golf market.

The department is not proposing to decrease any fees. 54 fees are proposed to increase, 11 new fees are proposed to be added, and nine fees are proposed to be deleted from Golf's fee schedule.

Of the 54 fees proposed to increase, most have not changed since 2009. Golf operations are largely intended to be supported by fee revenue from play on the County's courses. Proposed fee increases will create additional revenues which will enable Golf to cover operating costs, make improvements to facilities and provide funding for maintenance projects. Overall, the fee changes proposed for FY 2014-15 are intended to encourage golfers to play during non-peak times of day. 9-hole rates are increasing to 60% of the 18-hole fee mainly due to the comparative market survey and recent market demand. Even with an increase, County Golf will offer 9-hole rates well within the market range. County Golf courses will also offer these 9-hole rates without any time restrictions, which is rare among other golf courses in the county. Mid-day rates are increasing, but remain a competitive and valuable rate. The Mid-day rate will be offered 2-3 hours earlier than it was offered in the past. This increased opportunity for customers to play at a better rate will add value to their overall experience. Twilight rates are increasing at Chalk Mountain, but will be offered an hour and a half earlier than prior years. Golf cart rates will be increasing slightly as they have remained constant for the past three years while the general market value has increased.

The department is proposing to delete nine fees in total. Seven of the fees proposed to be deleted are fees charged to junior players with discount cards. Currently, junior golfers are able to obtain discounts on rounds of golf if they purchase a discount card. County Golf is proposing to eliminate the junior discount card, and replace it with new rates that will be charged to juniors, regardless of whether or not they have a discount card. Other fees proposed to be eliminated are those that are charged for yearly inspections of private golf carts and the monthly gas storage fee. Golfers who own private carts have largely already transitioned to having private companies inspect their carts annually. County Golf is proposing to stop performing private golf cart inspections due to the fact that golfers no longer use this service, and also to reduce liability to the golf program. The monthly gas storage fee is proposed to be eliminated due to the fact that the fee has not been used in approximately 15 years.

The department is proposing to add 11 new fees. Six of the new fees are for rates charged to junior players. As discussed above, the discount card program is being eliminated and replaced with set junior golfer fees to encourage more young golfers to play. Three of the proposed new fees are for active military members. Existing weekday rates for military golfers have been very successful in attracting active military players, and the department is proposing to add military rates for weekends and holidays at all three courses to encourage more military players to golf on weekends as well.

The remaining two proposed new fees are \$25 fees for golfers who prefer to have a personal cart and ride alone. The intent of these two new fees is to encourage golfing parties to pair up within their foursome for transport on golf courses, which enables County staff to better serve customers, and leads to fewer carts on courses, contributing to less required maintenance of golf carts and courses.

Overall, FY 2014-15 fee revenues are expected to increase 2% (\$51,351) compared to FY 2013-14 budgeted fee revenues, due largely to a proposed increases to 9-hole rates discussed above.

SUMMARY OF CHANGES TO CURRENT FEES
Summary of Schedule B – Fees effective JULY 1, 2014

Administrative Office – Fund Center 104

As shown in the chart below, the Administrative Office has a total of 4 fees, and is proposing one of them to increase. The fee for copies of the County Budget is proposed to increase from \$20 to \$35. This fee has remained unchanged since 2005 and was previously set below cost recovery to encourage ease of accessibility. However, in FY 2012-13, the County’s in-house reprographics department was closed and printing was outsourced to a local vendor. This increase sets the fee at a cost recovery level of 88% of actual cost charged by the vendor. Copies of the budget are available at no cost on the County’s website and can be viewed at any time at local libraries or the County Administrative Office.

| Total # of Fees | # Fees Unchanging | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|------------------------|--------------------------|--------------------------|--------------------------|-------------------|-----------------------|----------------------|
| 4 | 3 | 1 | 0 | 0 | 0 | 4 |

Agricultural Commissioner – Fund Center 141

As shown in the chart below, the fee schedule workbook submitted by the Ag Commissioner’s Department contains a total of 80 fees:

| Total # of Fees | # Fees Unchanging | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|------------------------|--------------------------|--------------------------|--------------------------|-------------------|-----------------------|----------------------|
| 80 | 72 | 7 | 1 | 0 | 0 | 80 |

As in the past, fee calculations were based on time studies with the exception of those fees set by statute. Seventeen of the 80 fees charged by the Ag Commissioner’s department are set by statute. Seven fees are proposed to increase in order to bring mileage rate charges up to the current standard rate. The fee charged for land use planning (an hourly rate) is proposed to decrease based on annual cost study results.

Agriculture and Weights and Measures fees help fund state mandated services, with the exception of the Land Use Planning referral program. All fees attempt to reasonably recover costs. The department attempts to balance the potential impact of fees on county businesses with a reasonable level of cost recovery. There are some fees that have historically remained at less than full cost recovery to keep in line with what neighboring counties charge for the same service, such as export certificates and farmers market. Qualified farmers market producers receive a veteran’s exemption for certificates and site inspections. Some fees have a statutory limit and will not achieve full cost recovery at full service levels.

Revenue from fees represents approximately 14% of the total department revenue based on the FY 2013-14 budgeted amount. The projected fee revenue for FY 2014-15 is \$456,000, slightly more than the FY 2013-14 budgeted amount of \$440,625.

Airports - Fund Center 425

The Airport has a total of 65 fees in the fee schedule. Nine of the fees are related to Airport parking and are discussed in the Airport Schedule A fees that are proposed to go into effect on January 3, 2014. The Airport’s Schedule B fees include a total of 56 fees, one of which is a new fee proposed for FY 2014-14. The chart below shows the Airport Schedule B fees that are proposed to go into effect on July 1, 2014.

| Total # of Fees | # Fees Unchanging | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|-----------------|-------------------|-------------------|-------------------|------------|----------------|---------------|
| 56 | 52 | 1 | 0 | 1 | 2 | 54 |

In addition to the three fees proposed to increase in Schedule A, a fourth fee proposed to increase is the Ground Rent fee for space for specialized Airport service operations at the San Luis Obispo Regional Airport. The current fee is \$0.324 per square foot, per year, and is proposed to increase by 6% to \$0.342 per square foot, per year. Ground rental rate appraisals were conducted in 2012 to determine a baseline for future rental rates. Last fiscal year, changes to the fee schedule were made to reflect market value ground rents. One of the ground rent fees added to the fee schedule last year was incorrectly entered into the FY 2013-14 fee schedule. This proposed increase will correct the fee to reflect the appraisal for specialized airport service operations at the San Luis Obispo Regional Airport.

The department is proposing to add one new fee, to be charged to commercial ground transport providers for expedited ground transport permits. Currently, Airports charges \$45 a month to commercial ground transport providers who provide ground transport services on both San Luis Obispo and Oceano Airport property. Issuance of these permits can be costly for the Airport, as staff must ensure that commercial operators comply with County Airport insurance, security and other requirements. At times, commercial operators who do not normally do business at County Airports apply for ground transport permits without much lead time before they plan to do business on Airport property. In these cases, Airport staff must put a rush on their review of the operator's application materials to ensure contract compliance, which includes: a review of compliance with County insurance requirements, Public Utilities Commission requirement compliance, a review of updated drivers and vehicle lists, mechanical inspections and the update of the Airport's website to reflect any changes in commercial ground service providers. To help recover the costs of expedited processing, Airports is proposing to add a \$100 expedited permit fee, which will be charged to operators who apply for permits less than five days in advance of when they plan to begin providing ground transport services. In addition to helping to recover some of the costs associated with expedited processing, it is also hoped that this fee will encourage unpermitted transportation providers to plan and apply for permitting in advance. Due to the fact that commercial operators who regularly provide ground transportation services at County Airports already have the required permits, it is expected that this new fee will not impact existing operators.

The department is proposing to delete two fees that are charged for tiedowns on the east side of the Airport. One fee is currently charged for monthly tiedowns, and one is charged for quarterly tiedowns. These fees are proposed to be deleted, as they are no longer necessary as a result of the apron project which eliminated the availability of large tie downs on the east side of the Airport.

Overall, FY 2014-15 fee revenues are expected to increase less than 1% (\$16,118) compared to FY 2013-14 budgeted fee revenues. While the Airport will see a decrease in fee revenue related to the elimination of the east side tiedown fees, it is expected that this decline in revenue will be offset by increased parking fee revenue.

Auditor-Controller's Office – Fund Center 107

As shown in the chart below, the fee schedule workbook being submitted by the Auditor-Controller's Office contains a total of 14 fees:

| Total # of Fees | # Fees Unchanged | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|-----------------|------------------|-------------------|-------------------|------------|----------------|---------------|
| 14 | 5 | 6 | 0 | 1 | 2 | 12 |

As in the past, fee calculations were based on prior year actual costs, average productive hourly rate, computed indirect costs and benefit rates.

There are a total of 14 fees charged by the Auditor-Controller's Office. Of those, five are recommended to remain unchanged, six to increase and two are being deleted. One new fee is recommended. Cost recovery for these fees range from 73.3% to 100%. It should be noted that the majority of the fees charged by the Auditor-Controller's Office are rarely

used but are in place in the event they are needed.

Two fees are recommended to be deleted. The department no longer provides Rate Reviews for Landfill/Ambulance/Garbage companies and the Special Assessment change fee is being consolidated into the one (1) new fee being recommended – Special Assessment Adjustments and Data Information reports for outside agencies. The eliminated fee as well as the new fee both pertain to requests by Special Districts and other outside agencies for adjustments to the property tax roll and tax data information.

While six fees are recommended to increase, it should be noted that two of those fees, Accounting/Audit Rate and Research Rate are recommended to go from a per hour rate to actual cost. The actual cost method is utilized when staff cost to provide the service varies significantly from request to request. These fees, as well as the new fee noted above, are performed by various staff levels within the department depending on the complexity of the request. The two largest fee increases pertain to the purchase of the County's budget book and the Comprehensive Annual Financial Report. Both of these fees were previously calculated using the time study method which did not recover the cost to print the documents. Beginning in FY 2014-15, these fees are set at the actual cost the County is charged by the printer.

The department receives minimal revenue from fees and for FY 2014-15 fee revenue is projected to increase by \$730 or 30% when compared to FY 2013-14 budgeted fee revenue of \$2,400. Actual revenue for FY 2012-13 was \$2,309.

Clerk-Recorder's Office – Fund Center 110

As shown in the chart below, the fee schedule workbook being submitted by the Clerk-Recorder's Office contains a total of 83 fees:

| Total # of Fees | # Fees Unchanged | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|------------------------|-------------------------|--------------------------|--------------------------|-------------------|-----------------------|----------------------|
| 83 | 82 | 0 | 0 | 0 | 1 | 82 |

The methodology used to calculate this year's proposed fees did not change from previous years and is based upon average productive rate and time studies. The Clerk-Recorder also has many fees that are mandated by California law; changes to those fees are controlled by State statute and are not subject to yearly increases.

The department is not proposing to decrease any fees or add new fees. The department is proposing to delete the Authorization for Notary to issue Confidential Marriage License fee, which is currently set at \$300 a year. Per Family Code §530-536, notaries cannot issue confidential marriage licenses unless they are approved to do so by the County Clerk. This fee is charged to notaries who seek authorization to issue confidential marriage licenses, and is proposed to be deleted due to a lack of interested notaries. The County has not authorized a notary to issue marriage licenses since FY 2010-11 due to the complexity of program requirements and resultant potential problems associated with administering the program. The department has surveyed other counties and has determined that majority of counties in the State do not provide this service.

Overall, the Clerk-Recorder's Office projects approximately \$3.44 million in fee revenue for FY 2014-15 which is an increase of 37.4% (\$937,231) from FY 2013-14 budgeted fee levels. It should be noted however, that this projection includes the collection of fees for other agencies (including the State, other departments and trust accounts) and does not accurately reflect the fee revenues that the Clerk-Recorder's Office projects to receive. Adjusting for this, the Clerk-Recorder's total fee revenues are projected to increase by 4.4% (\$78,280) compared to the budgeted FY 2013-14 fee revenue of \$1,799,479.

County Fire – Fund Center 140

As shown in the chart below, the fee schedule workbook being submitted by County Fire contains a total of eight fees:

| Total # of Fees | # Fees Unchanging | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|------------------------|--------------------------|--------------------------|--------------------------|-------------------|-----------------------|----------------------|
| 8 | 0 | 0 | 7 | 0 | 1 | 7 |

As in the past, all fee calculations were based on time studies. All eight fees are set at full cost recovery. One fee is proposed to be deleted. No fees are proposed to increase. Fees make up approximately 4% of total revenue for County Fire. The department projects that fee revenue for FY 2014-15 will be relatively unchanged from the FY 2013-14 adopted budget amount of \$210,000.

Fleet – Fund Center 407

As shown in the chart below, the fee schedule workbook being submitted by Fleet contains a total of 1 fee:

| Total # of Fees | # Fees Unchanged | # Fees Increasing | # Fees Decreasing | # Fees New | Net # of Fees |
|------------------------|-------------------------|--------------------------|--------------------------|-------------------|----------------------|
| 1 | 0 | 1 | 0 | 0 | 1 |

The methodology used to calculate proposed fees has not changed from prior years. Fee calculations are based on calculating operating costs based on prior year actual costs, estimating usage based on prior year actual data by vehicle and department, and the dividing costs by productive hours to determine hourly rate.

The department is not requesting that any fees be added, deleted, or decreased. One fee is proposed to be increased.

The department is requesting to increase the hourly rate that it charges for all services that it provides to County departments and outside agencies. The fee is currently \$84/hour and is proposed to increase by 9.5% (\$8/hr) to \$92/hour. FY 14-15 is the first of a five year program to phase full cost recovery into time and material services. By the end of five years, it is expected that labor and mileage rates will be in balance with the costs to provide the services, as recommended by Mercury Associates Fleet Rate Model.

Fleet's fee revenues have been increasing for the past several years. Overall, FY 2014-15 fee revenues are expected to increase 7% (\$300,264) compared to FY 2013-14 budgeted fee revenues, due entirely to the increase that the department is proposing to its one fee.

General Services Agency - Fund Centers 113 and 114

General Services – Fund Center 113

As shown in the chart below, the fee schedule workbook being submitted by General Services contains a total of 31 fees:

| Total # of Fees | # Fees Unchanged | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|------------------------|-------------------------|--------------------------|--------------------------|-------------------|-----------------------|----------------------|
| 31 | 25 | 1 | 3 | 1 | 1 | 30 |

The methodology used to calculate proposed fees has not changed from prior years. Fees for Real Property Services and Central Mail fees are calculated based on actual cost recovery or based on historical information. Sale of Plans and Spec fees, and the Vets Hall fees are set based on a survey of comparable entities to determine the appropriate fee amounts.

The department is requesting to increase one fee, decrease three fees, delete one fee, and add one new fee.

The department is proposing to increase the permit fee for filming on County property, or within areas of the county that are under the County's jurisdiction. Permitting requirements for commercial motion pictures, television productions and still photography are outlined in County Code Title 2, Chapter 2.11.050 et seq. Currently, the permit fee is set at \$550, with a retainer of \$8,000, to recoup County costs associated with filming in County facilities or in areas that the County has jurisdiction over. General Services is proposing to maintain the current permit fee of \$550, and increase the retainer to \$12,000, which will better enable the County to recoup costs associated with filming. Any unused retainer funds will be returned to the filmmaker.

The fees proposed for decrease are all Central Mail fees, which are charged for the pick-up and delivery of mail for external organizations which utilize Central Mail services. These fees are set based on the full cost recovery of pick-up and delivery costs and postage costs, and are decreasing to adjust for current cost accounting data, and the expectation that billings will decrease in the future due to County reprographics being outsourced. The monthly fee for mail services outside of the County Government Center area is decreasing by \$5.06 or 3.6%, from \$140.17 to \$135.11. The monthly fee for mail services inside of the County Government Center area is decreasing \$0.83 or 0.8%, from \$99.41 to \$98.58. Finally, the Central Mail Overhead fee, which is charged to external organizations as a percentage of the amount of actual postage used is decreasing by 15.3%, from 45.48% to 38.54%, associated with adjustments for current cost accounting data.

The department is proposing to delete one fee, and replace it with another fee. Currently, the department charges \$500 for permits to film TV commercials and video or take still photography on up to six roads in the County's jurisdiction, over a course of up to seven days. This fee is being deleted and replaced with a new fee which charges \$500 for permits to film TV commercials and video or take still photography on up to six roads in a single day. The deletion of the fee and proposed replacement with the new fee is proposed for several reasons: 1. the structure of the fee proposed to be deleted is inconsistent with industry standards, as comparable counties charge permit fees on a daily basis, 2. the current fee is below the market price and this adjustment aligns it closer to current market rates. Based on a review of permits issued in the past year, only eight permits for filming/still photography were used for more than one day; a small number of permits were used for more than two days. County Code provides for exemptions to the existing fee, which provide that charitable films produced by public entities or non-profit organizations and students are exempt from permit fees for filming. These exemptions as outlined in County Code will apply to the new fee as well.

In addition to the proposed fee changes described above, it should also be noted that General Services is making changes to definitions related to fees for full day use of the Veteran's Hall. Fees for full day use of the Veteran's Hall are proposed to remain unchanged. However, the department is changing the definition of full day rental of this facility, increasing it from the current of eight hours to 12 hours. This change in number of hours in a full day rental is an attempt to better align fees for rental of the Veteran's Hall with the fees charged for other comparable facilities

While some of General Services' fees are set based on cost recovery, there are some fees and fee deposits that have historically remained at less than cost. For example- Access, Use and Film permits are maintained below actual cost as an incentive for filmmakers to showcase the San Luis Obispo area.

Overall, FY 2014-15 fee revenues are expected to decrease 12.3% (\$14,819) compared to FY 2013-14 budgeted fee revenues, due to decreased Central Mail fees discussed above, as well as a decrease in use of the Vet's Hall by members of the public, non-profits, and other community groups.

Fund Center 114: Information Technology

As shown in the chart below, the fee schedule workbook being submitted by Information Technology contains a total of 14 fees:

| Total # of Fees | # Fees Unchanged | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|-----------------|------------------|-------------------|-------------------|------------|----------------|---------------|
| 14 | 1 | 3 | 9 | 0 | 1 | 13 |

The methodology used to calculate proposed fees has not changed from prior years. Fee calculations are based on current fiscal year budgeted salary and benefit costs and prior year actual service and supply costs to ensure cost recovery. There are significant IT projects currently underway which may result in cost recovery adjustments moving

forward. No adjustment in fee calculations, cost recovery or service definitions were made in anticipation of the changes resulting from these projects.

Three fees are proposed to increase due to a reduction in units recovered by the costs, or organizational changes in the positions associated with the services being provided. None of the fee changes are significant. The Groupware fee is increasing by \$0.55 or 3.7% (from \$14.73 to \$15.28 per account, per month). The General Consulting fee is increasing by \$0.57 or 0.5% (from \$110.47 to \$111.04 per hour). The Desktop Consulting Fee is increasing by \$1.24 or 1.1% (from \$111.80 to \$113.04 per hour).

Nine fees are proposed to decrease due to a reduction in staff and service and supply costs associated with performing services for which fees are charged and/or an increase of units recovered by the service costs. Decreasing fees include those charged for radio communications services, voice support, voice mail box, network connection, external user access, enterprise services, server housing, virtual server (Blade Center) and virtual server memory.

The department is proposing the deletion of the Printing/Scanning fee as this service is no longer provided. Overall, FY 2014-15 fee revenues are expected to decrease 6% (\$80,833) compared to FY 2013-14 budgeted fee revenues. The projected decrease in revenue is attributable to revenue decline in a variety of fees, but is largely associated with moving the Courts off the mainframe.

HEALTH AGENCY: Fund Centers 137, 160, 162 and 375

Overall, the Health Agency has taken the approach to increase their rate of cost recovery in a gradual manner – increasing most fees that are not at full cost recovery by no more than 10% a year. The fees that could put health and safety at risk (e.g. immunization fees, animal redemption and adoption, etc.) are typically kept at a partial cost recovery level as the Health Agency strives to strike a balance between recouping their costs (thus reducing the impact to the General Fund) with ensuring fees are set low enough to incentivize people to respond.

Animal Services – Fund Center 137

As shown in the chart below, the fee schedule workbook submitted by the Health Agency – Animal Services Division includes 78 fees:

| Total # of Fees | # Fees Unchanged | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|------------------------|-------------------------|--------------------------|--------------------------|-------------------|-----------------------|----------------------|
| 78 | 56 | 17 | 3 | 2 | 0 | 78 |

The methodology to calculate FY 2014-15 proposed fees did not change from previous years. The method includes the Average Productive Hourly Rate, indirect costs, and time study results. Costs were calculated by determining the average productive hourly rate and multiplying this hourly rate by the number of hours from the time study.

Animal Services has set fees at full cost recovery for Quarantines, Owner Services, Cruelty Investigations, Nuisance Abatement, Citation and Fines, and Commercial and Hobby Breeder Permits. For other situations, the Health Agency has set fees at levels less than full cost recovery to promote the successful fulfillment of other aspects of their mission such as returning stray animals to their owners, adopting homeless animals out to new homes and minimizing euthanasia.

Two new fees are recommended including an In-House Vet Exam Fee (set at \$14.50 per 10 minutes to capture the full cost of the exam) which will be applied to any animal redeemed at the shelter, and a \$5 fee per animal for litters larger than 4 that are turned into the shelter, to capture the costs associated with sheltering and re-homing larger litters. This later fee is set at only 8% cost recovery in order to encourage owners that do not want these litters to bring them to the shelter rather than to abandon them.

Seventeen fees are recommended to increase; most by moderate amounts. Licensing fees are recommended to increase for owners of altered dogs by \$1 for a one year license and \$2.50 for a three year license. In addition, the Late Licensing Penalty is recommended to increase by \$5 (33%) to encourage timely licensing and renewals. The fee to reissue a lost license tag is also increasing \$5 (33%). The fee to redeem an altered cat is recommended to increase \$5 or 50%, and the fee to redeem an unaltered cat is recommended to increase by \$4 (15%) to increase the rate of cost recovery of sheltering lost cats. These fees remain substantially lower than the cost to redeem a dog. It is unknown if such an increase will deter people from redeeming their cats but given that the fee is still quite low it is not expected to have an

impact on redemption rates.

Fees for owned animals turned into the shelter are also recommended to increase to improve the rate of cost recovery. The fees for adult animals and litters of 4 or less turned in with their parent animal are recommended to increase \$5 or 17% and the fee for litters of 4 or less turned in without their parent animal is recommended to increase \$3 (8%). The Euthanasia fee (if the service is requested by the animal's owner) is recommended to increase \$5 (14%) for adult animals. The Euthanasia fee for litters younger than 4 months is also recommended to increase, by \$40 (114%), to increase the rate of cost recovery and set a higher amount in an effort to dissuade pet owners from making such requests. It should be noted that requests to euthanize these young litters are rare and when such requests are made, Animal Services staff attempt to persuade the requester to agree to let the shelter put these animals up for adoption. Finally, the fee for Head Removal for Rabies Testing is increasing \$10 (almost 9%) to increase the rate of cost recover for this effort.

Three fees are recommended to decrease: the fee for adoption of exotic animals such as snakes, tortoises and exotic lizards as well as horses is decreasing \$45 (30%) to bring the fee more in line with the retail value for these animals; the fee for the 4th and Succeeding impounds is decreasing to encourage redemption; and the fee for Commercial and Kennel Pet Shop Permits is decreasing \$134 (35%) based on the results of an updated time study showing less time required to process these permits than in the past.

The projected fee revenue for FY 2014-15 is expected to decrease by approximately \$65,170 (6%) compared to the FY 2013-14 budgeted amount of more than \$1.1 million. This projected revenue amount is \$89,155 or 9% more than the actual revenue realized in FY 2012-13.

Public Health – Fund Center 160

Suspected Abuse Response Team (SART)

As shown in the chart below, the fee schedule workbook submitted by Public Health's Suspected Abuse Response Team (SART) includes 8 fees, two of which are being deleted:

| Total # of Fees | # Fees Unchanging | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|------------------------|--------------------------|--------------------------|--------------------------|-------------------|-----------------------|----------------------|
| 8 | 0 | 5 | 1 | 0 | 2 | 6 |

The methodology to calculate FY 2013-14 proposed fees did not change from previous years. The method includes the Average Productive Hourly Rate, indirect costs, and time study results. Costs were calculated by determining the average productive hourly rate and multiplying this hourly rate by the number of hours from the time study. However, Public Health revised the methodology for calculating indirect (overhead) costs to better comply with Office of Management and Budget A-87 cost allocation guidelines.

Five fees are recommended to increase as a result of the change in the calculation of overhead costs and changes resulting from the time study analysis. The most significant increase is in the Level 2 exam fee, which is increasing \$336 or almost 34%. The other four fees, including the Nursing Hourly Rates, the Level 3 and Suspected Child Abuse and Neglect (SCAN) Exam 1 fees, are increasing between 3.5% - 9.6% (\$12 - \$53).

One fee is recommended to decrease based on the results of the updated time study. The Level 1 exam fee is decreasing by \$25 or almost 5%. Two fees are recommended to be deleted because they have never been used. Originally three fees were established for the SCAN Exam to reflect three different levels of exams (Level 1, Level 2 and Level 3). However, only the Level 1 exam is used by the Nurse Examiner, so the fees for Levels 2 and 3 are recommended to be deleted from the Fee Schedule.

SART exams are performed at the request of law enforcement or Child Welfare Services. Beginning in FY 2011-12, the SART program began charging the incorporated law enforcement agencies for services provided. The Sheriff's Department and Child Welfare Services are not charged for exams. Before FY 2011-12, only a small amount of revenue was collected from the California Men's Colony, Atascadero State Hospital and the Probation Department (through restitution fees).

The projected fee revenue for FY 2014-15 is projected to remain flat compared to the FY 2013-14 budgeted amount. The amount budgeted in FY 2013-14 is \$60,000; \$9,445 more than what was actually realized in FY 2012-13.

Public Health Nursing

As shown in the chart below, the fee schedule workbook submitted for Public Health's Nursing includes 14 fees:

| Total # of Fees | # Fees Unchanging | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|-----------------|-------------------|-------------------|-------------------|------------|----------------|---------------|
| 14 | 3 | 8 | 3 | 0 | 0 | 14 |

The methodology to calculate FY 2014-15 proposed fees did not change from previous years. The method includes the Average Productive Hourly Rate, indirect costs, and time study results. Costs were calculated by determining the average productive hourly rate and multiplying this hourly rate by the number of hours from the time study. However, Public Health revised the methodology for calculating indirect (overhead) costs to better comply with Office of Management and Budget A-87 cost allocation guidelines. This revision resulted in lower actual costs for all but one fee compared to FY 2013-14 actual costs. The one exception is the fee for the Medical Marijuana ID Card, which is increasing by \$4 or 6% due to an increase in the actual cost to provide these cards.

Despite the reduction of actual costs for most fees, eight fees are recommended to increase in order to increase the rate of cost recovery. These fees include Office Visits for various types of clients (e.g. new or established patients) and different levels of service. The most significant increase in this category is the fee for Limited Established Clients which is recommended to increase by \$35 or 76%, in order to bring the fee up to full cost recovery from the previous rate of 52% cost recovery. Other Office Visit fee increases range from \$3 - \$21 (1% - 24%).

It is important to note however that a sliding fee scale was implemented in January 2011 for family planning services to ensure any individual, regardless of income, has ability to access reproductive health services. The sliding fee scale is based on the 2013 Federal Poverty Guidelines, and charges 0% - 100% of the fee based on family size and income level. Most of the increased fees will be set at full cost recovery in order to maximize fee revenue when utilizing the family planning sliding fee scale. These increased fees are consistent with low income clinics in the community.

One exception to the full-cost recovery effort is the fee for Office Visit for Minimal Established Patient, which is set at 41% cost recovery in order to maintain consistency with other community health providers and to ensure diagnosis and treatment of communicable diseases.

Three fees are recommended to decrease as a result of the change in the methodology for calculating indirect costs. These fees include Office Visit for a single immunization (decreasing \$2 or 8%), the fee for providing more than one immunization, or to provide only a flu shot (decreasing \$2 or 11%), and the hourly rate for Public Health Nurse Consultation and/or outreach (decreasing \$8 or 8%).

The remaining 3 fees for Targeted Case Management, Health Education Workshops and Office visit for a Detailed Established Client are recommended to remain at current levels.

The Health Agency projects Public Health Nursing fee revenue for FY 2014-15 to remain level with the FY 2013-14 budgeted amount of \$890,000. This projected revenue amount is \$120,102 or 12% higher than the actual revenue realized in FY 2012-13.

Driving Under the Influence

As shown in the chart below, the fee schedule workbook submitted for Driving Under the Influence includes 8 fees:

| Total # of Fees | # Fees Unchanging | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|-----------------|-------------------|-------------------|-------------------|------------|----------------|---------------|
| 8 | 3 | 3 | 2 | 0 | 0 | 8 |

The methodology to calculate FY 2013-14 proposed fees did not change from previous years. The method includes the

Average Productive Hourly Rate, indirect costs, and time study results. Costs were calculated by determining the average productive hourly rate and multiplying this hourly rate by the number of hours from the time study.

Three of the eight fees are recommended to increase moderately due to an increase in Program Supervision costs. The fees for program Reinstatement and Transfer-in or Transfer-out are recommended to increase \$3 (4%) and the Initial Registration Processing fee is recommended to increase \$3 or almost 4%. Two fees are recommended to decrease due to a reduction in the cost to provide the services: the Leave of Absence processing fee is recommended to decrease by \$23 (49%) as a result of less time required to process such requests, and the fee for Urine Testing is decreasing \$2 (8%).

Three fees are recommended to remain unchanged: the Session Charge, Missed Meeting Charge and the Notice of Completion fee. The projected fee revenue for FY 2014-15 is expected to increase approximately \$65,200 (5%) compared to the FY 2013-14 budgeted amount of \$1,399,963. This projected revenue amount is \$60,514 or 5% more than the actual revenue realized in FY 2012-13.

Behavioral Health (Mental Health and Drug and Alcohol Services)

As shown in the chart below, the fee schedule workbook submitted by Behavioral Health includes 21 fees:

| Total # of Fees | # Fees Unchanging | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|-----------------|-------------------|-------------------|-------------------|------------|----------------|---------------|
| 21 | 2 | 13 | 5 | 1 | 0 | 21 |

The methodology to calculate FY 2014-15 proposed fees did not change from that used in the prior year for both Medi-Cal and non Medi-Cal services. For Medi-Cal fees, the State-developed rates were used as a basis to which an inflationary increase was applied consistent with the State’s methodology. The department also validated that these rates do not exceed the actual cost to provide these services.

The proposed fees for FY 2014-15 reflect legislative changes enacted through AB 1297, as was the case in the prior year. This legislation establishes a cost reimbursement rate structure for specialty mental health services that is different than what had been used in the past. Prior to July 1, 2012, the State had established a maximum allowance for Medi-Cal claims submitted by the County for reimbursement. This maximum allowance, published by the State, was consistently set well below the actual cost to provide the services. Since the State published these rates the Health Agency did not include these capped rates in the County’s fee schedule. With the passage of AB 1297, the County can now recover 50% of cost to provide mental health services up to the “usual and customary charge”. AB 1297 also requires the County Board of Supervisors to approve the rates that will then be considered “usual and customary”. For FY 2012-13, the State Department of Health Care Services (DHCS), developed an “interim rate” based on each County’s FY 2009-10 Cost Report (the most recent available) with an added inflationary factor (Market Basket rate of 7.04%) and is considered the published rate.

For FY 2014-15, the proposed rates for Specialty Mental Health Services reflect the FY 2013-14 “interim rate” with an added factor of 12.22% (Market Basket rate in April 2013). This is higher than the Consumer Price Index rate typically applied to County fees. However, the intent of proposing the rates at a higher rate for FY 2014-15, is to ensure the published rates are set high enough to cover the actual cost per unit so the County is able to receive the maximum 50% Federal Financial Participation (FFP) reimbursement.

It is important to note that almost all clients are covered by Medi-Cal and do not pay the published fees. Most self-pay clients (those that are not eligible for Medi-Cal and are not insured), pay on a sliding scale with a maximum as determined by the State. Most end up paying about \$37 per year for medically necessary mental health treatment services. With the enactment of the Affordable Care Act, it is expected that most if not all clients will be insured, thus paying a lower amount for services.

Services eligible for Drug Medi-Cal (DMC) have a State determined maximum rate. All fees noted are either higher than the State’s maximum DMC rate, or for non DMC eligible services, the client pays on a sliding fee scale. The County’s application to become the Drug Medi-Cal Administrator/Provider is expected to be approved by the State in FY 2013-14.

Significant changes in the recommended fees for Mental Health services include a \$350/day (26%) increase in the fee for

the Psychiatric Health Facility (PHF) due to a higher incidence of client bed days not meeting the “medical necessity” criteria required to bill Medi-Cal, an increase of \$1.60/minute (29%) for Medication Support services to include the full cost of contract Psychiatrists (which have previously been excluded from the actual cost calculation), a \$148/day increase (66%) in the Full Day Intensive Treatment fee reflecting a corrected allocation of facility and supervision costs compared to prior years, and a \$54/day (29%) decrease in the cost for Adult Residential services due to changes in the contract with the contractor.

Significant changes in the recommended fees for Drug and Alcohol services include a \$9 or 41% increase in the Absence fee for group treatment to bring this fee in line with the Group Counseling fee, a \$22 (10%) increase in the Detox from Opiates program fee to increase the rate of cost recovery (which would increase to only 41% cost recovery), and reduction to two drug testing fees (the urine dip test and the breathalyzer, by \$2 and \$1 respectively) due to the reduced cost of staff administering these tests.

There is one new fee recommended for detoxification from alcohol at \$90. This service is provided by a Nurse Practitioner and the recommended fee is set at 91% cost recovery. Previously the charge for this service was at the Individual Counseling rate, which is \$12 or 13% lower than the new fee.

For Mental Health services, the Health Agency projects an increase in revenue of approximately \$1.3 M due to more precise cost calculations and an increase in volume. For Drug and Alcohol services, the projected fee revenue for FY 2014-15 is expected increase \$10,000 (5%) compared to the FY 2013-14 budgeted amount of \$181,000.

Health Promotion -Tobacco Control

As shown in the chart below, the fee schedule workbook submitted by Public Health’s Tobacco Control includes only 1 fee:

| Total # of Fees | # Fees Unchanging | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|-----------------|-------------------|-------------------|-------------------|------------|----------------|---------------|
| 1 | 0 | 1 | 0 | 0 | 0 | 1 |

The methodology to calculate FY 2013-14 proposed fees did not change from previous years. The method includes the Average Productive Hourly Rate, indirect costs, and time study results. The cost was calculated by determining the average productive hourly rate and multiplying this hourly rate by the number of hours from the time study. However, Public Health revised the methodology for calculating indirect (overhead) costs to better comply with Office and management and Budget A-87 cost allocation guidelines.

The Health Promotion program’s only fee is the Tobacco Retail License Fee, which is recommended to increase \$19 or 4.3%, from \$445 per license to \$464 due to the change in the Sheriff’s department employee involved in enforcing Tobacco Retail License requirements. In the past a Sheriff’s Deputy performed this work and the Sheriff has now shifted this responsibility to a Sergeant, increasing the actual cost per license by \$19.00. This proposed fee is set a full cost recovery to cover the costs of license administration and license enforcement.

Fee revenue is expected to increase by \$933 or 6% compared to the FY 2013-14 budgeted amount of \$16,215. The Public Health Department will receive a portion of this (approximately \$17,200). The remaining revenue from this fee is allocated to the Sheriff and the Treasurer Tax Collector for collection of the fee.

Emergency Medical Services Agency (EMSA)

As shown in the chart below, the fee schedule workbook submitted by Public Health’s Emergency Medical Services (EMSA) includes 24 fees:

| Total # of Fees | # Fees Unchanging | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|-----------------|-------------------|-------------------|-------------------|------------|----------------|---------------|
| 24 | 7 | 6 | 8 | 0 | 3 | 21 |

The methodology to calculate FY 2013-14 proposed fees did not change from previous years. The method includes the Average Productive Hourly Rate, indirect costs, and time study results. Costs were calculated by determining the average

productive hourly rate and multiplying this hourly rate by the number of hours from the time study. However, Public Health revised the methodology for calculating indirect (overhead) costs to better comply with Office of Management and Budget A-87 cost allocation guidelines.

The Emergency Medical Services Agency merged into the Health Agency in July 2010. Only minor fee changes have been made since that time as the Health Agency gained experience with EMSA responsibilities. Now that a few years have passed, the Health Agency conducted a complete time in motion study to determine whether the existing fees accurately reflected the actual costs to provide the service. As a result of this analysis, eight fees are recommended to decrease and six fees are recommended to increase.

Fees that are decreasing are those with the largest number of payees and most of the fees that are increasing have been put in place in case the service is requested – but the Health Agency is not anticipating any such requests in FY 2014-15. Thus these increases are not expected to impact the community in the next fiscal year.

Fees recommended to decrease include fees for training, accreditation/certification and for program approval. The fee for the Advance Protocol Review course is recommended to decrease the most, by \$97 or approximately 43%. The fees for the Mobile Intensive Care Nurse courses (initial authorization and refresher) are decreasing more moderately – by \$3 and \$7 respectively (or 1% and 6%). It should be noted that currently students taking these two courses pay a separate fee of \$55 for the certificate upon completion. This separate fee is proposed to be eliminated – the cost to provide the completion certificate has been built into the cost to deliver the course. Therefore, this will result in an additional savings to students taking these Mobile Intensive Care Nurse courses. Accreditation/Certification fees that are decreasing include the Emergency Medical Technician (EMT) Initial Certification and Recertification fees, decreasing \$38 or 63% each, and the Paramedic Accreditation and Re-Accreditation fees, decreasing \$66 or 33% each. Finally, the Program Approval fee for Continuing Education Providers is decreased by \$433 or 87%.

Fees recommended to increase are for Training Program certification, EMT Training Review and for Program Review. At this time, only Cuesta College provides EMT and Paramedic training in our county. The fees associated with EMT Training and Paramedic Training are established for any new entity requesting approval to provide these certification programs. The fee for approval of the EMT Training Program is recommended to increase \$3,829 (132%) and the fee for approval of the Paramedic Training Program is recommended to increase \$4,501 or 155% to reflect the actual cost involved in reviewing and approving the proposed programs. Previous estimates of the time required for this review/approval effort were substantially underestimated. Fees associated with the monitoring of training programs are also increasing, although at a much lower rate. These program reviews are done every four years to ensure the program complies with County and State requirements. The fee for review of the EMT Training program is recommended to increase \$139 or 4.5% and the fee for the Paramedic Training program is recommended to increase \$443 or 11.5% to reflect the actual cost to conduct these reviews.

Almost all recommended fees are set at, or near, full cost recovery. The projected fee revenue for FY 2014-15 is expected to decrease approximately \$21,000 or 41% from the FY 2013-14 budgeted amount of \$51,155, primarily due to the recommended decrease in several fees.

Environmental Health

As shown in the chart below, the fee schedule workbook submitted by Public Health’s Environmental Health Division includes 149 fees:

| Total # of Fees | # Fees Unchanged | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|------------------------|-------------------------|--------------------------|--------------------------|-------------------|-----------------------|----------------------|
| 149 | 8 | 135 | 4 | 1 | 1 | 148 |

The methodology to calculate FY 2014-15 proposed fees did not change from previous years. The method includes the Average Productive Hourly Rate, indirect costs, and time study results. Costs were calculated by determining the average productive hourly rate and multiplying this hourly rate by the number of hours from the time study. However, Public Health revised the methodology for calculating indirect (overhead) costs to better comply with Office of Management and Budget A-87 cost allocation guidelines.

One new fee is recommended for inspection of Seasonal Produce Vehicles, set at \$133. This fee will fully offset the cost

of inspecting these vehicles (which operate only during their crop growing season) on an annual basis for their permits. Currently Seasonal Produce Vehicles pay the Produce Vehicle fee, which is set higher given inspection of these vehicles takes twice the amount of time. Thus, establishing this fee will result in a savings for the Season Produce Truck operator (\$137 based on the recommended 2014-15 fees).

One fee is recommended for deletion: the Retail Market with Gas inspection fee. There are 84 facilities currently that currently pay these fees. The Health Agency is proposing to charge these facilities the fee for inspection of Retail Markets between 150 and 5,100 square feet in size, to reflect the current practice of using different staff to inspect retail markets than the staff that inspect underground storage tank inspections. In the past these inspections were done at the same time but this approach has changed. With the elimination of the Retail Market with Gas inspection fee and the shift of these inspections to the 150-5,000 sq. ft. Retail Markets, the permit applicant will pay \$32 less each year.

Environmental Health proposes to increase 135 of its 149 fees to improve the rate of cost recovery and to include the cost of a 0.75 FTE Mapping Graphics Specialist to develop and maintain Geographical Information System (GIS) data. This position was added to the Public Health Position Allocation List mid-year in FY 2013-14.

Environmental Health has been incrementally increasing fees for many years in order to meet the Board policy of "full cost recovery where reasonable" without placing undue hardship on local businesses. Most fees that are that were not at cost recovery are recommended to increase between 13% - 16%. The most significant increases include a \$258 (20%) increase in the Underground Storage Tank inspection fee for the annual permit application or renewal, a \$124 (18%) increase in the fee for Retail Markets/Restaurants/Bars/B&Bs and Ag. Homestay major remodel, and a \$119 (25%) increase in the Water Well Applications fee, to increase cost recovery.

Four fees are recommended to decrease due to a reduction in the actual cost to provide these services. The inspection fee for Retail Food Production/Retail Markets 150 – 5,000 sq. ft. in size is recommended to decrease \$94 (19%). Two annual Food Facility inspection fees are recommended to decrease: The Vending Machine Commissary is decreasing \$107 (30%) and the Mobile Food Facility/Caterer Commissary is decreasing \$82 (17%). Finally, the inspection fee for Temporary Food Facility – Multiple Events is decreasing \$40 (14%).

The projected fee revenue for FY 2014-15 is expected to increase approximately \$158,700 (7%) compared to the FY 2013-14 budgeted amount of almost \$2.3 million. The projected revenue of approximately \$2.4 million is \$251,558 (12%) higher than the actual revenue received in FY 2012-13.

Public Health Laboratory

As shown in the chart below, the fee schedule workbook submitted by Public Health Lab includes 110 fees:

| Total # of Fees | # Fees Unchanging | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|-----------------|-------------------|-------------------|-------------------|------------|----------------|---------------|
| 110 | 9 | 4 | 92 | 5 | 0 | 110 |

The methodology to calculate FY 2014-15 proposed fees did not change from previous years. The method includes the Average Productive Hourly Rate, indirect costs, and time study results. Costs were calculated by determining the average productive hourly rate and multiplying this hourly rate by the number of hours from the time study. However, Public Health revised the methodology for calculating indirect (overhead) costs to better comply with Office of Management and Budget A-87 cost allocation guidelines. This revision resulted in lower actual costs for 92 of the 110 fees, which reduced the recommended fee given that these fees have been set at full cost recovery.

Five new fees are proposed to allow physicians and public health investigators to rapidly diagnose infections and diseases that are on the rise such as Trichomonas and Human Papilloma Virus, Gastrointestinal disease, and HIV. In addition, a new fee has been established to gauge the effectiveness of sanitation measures at the California Men's Colony. All of these new fees are set at full cost recovery.

Four Public Health Lab fees are recommended to increase primarily due to an increase in the cost of laboratory testing supplies. The recommended fee increases range from \$2 - \$8 per test (12% - 21%). The fee for testing Herpes Virus Florescent Antibody Confirmation is increasing \$8 or 21%. The other fees increasing are associated with HIV testing.

The projected fee revenue for FY 2014-15 is expected to remain level with the FY 2013-14 budgeted amount of more than \$1 million. The Health Agency reported a decline in volume in FY 2012-13 and thus reduced their budgeted amount for FY 2013-14 by approximately \$114,400. The revenue projected for FY 2014-15 reflects a continuation of this lower volume of demand. The projected FY 2014-15 revenue is approximately \$53,500 or 6% higher than actual FY 2012-13 revenue received.

Library – Fund Center 377

As shown in the chart below, the fee schedule workbook submitted by the Library contains a total of 43 fees:

| Total # of Fees | # Fees Unchanged | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|------------------------|-------------------------|--------------------------|--------------------------|-------------------|-----------------------|----------------------|
| 43 | 36 | 0 | 0 | 2 | 5 | 38 |

The Library used the full cost recovery and the comparable fee survey methods for calculating the FY 2014-15 fees. The full cost recovery method involves a direct labor/productive rate combined with an average replacement cost. The comparable fee survey method was used to calculate the Library’s overdue material fees. The Black Gold Cooperative Library System schedule of overdue fines schedule was used as the foundation for the comparison.

Two new fees are proposed to be added to the Library’s schedule to allow for a charge to replace a lost or damaged laptop or a lost or damaged item on interlibrary loan. Five fees are proposed to be eliminated. All five are associated with audiocassettes and videocassettes, which will no longer be loaned by the Library.

All of the Library’s fees are set below cost recovery in an effort to encourage the return of Library materials and to maintain the patronage of customers who may occasionally return their materials late. This practice is consistent with neighboring libraries.

Revenue from fees makes up a small portion of the Library’s budget. Total budgeted fee revenue for FY 2013-14 is \$346,000 compared to total Library expenses of \$8.5 million. Based on the proposed fees, FY 2014-15 fee revenue is projected to be essentially unchanged.

Planning and Building – Fund Center 142

As shown in the chart below, the fee schedule workbook submitted by the Planning and Building Department includes 899 fees:

| Total # of Fees | # Fees Unchanged | # Fees Increasing | # Fees Decreasing | # New Fees | # Fees Deleted | Net # of Fees |
|------------------------|-------------------------|--------------------------|--------------------------|-------------------|-----------------------|----------------------|
| 899 | 893 | 1 | 0 | 5 | 0 | 899 |

The methodology to calculate this year’s proposed fees is the same method used in the preparation of department fees for the last two fiscal years. Where needed, modifications were made based on changes in the results of the time in motion studies. The hourly rate includes items planned for future expenditures where a portion of the fee will capture a portion of large investments in technology and general plan updates as allowed by law (one-fifth of the total cost needed over the next five years). This approach is consistent with the hourly rate calculation for the prior 7 years.

The Department has a large number of fees that reflect the variations in building projects. This approach ensures that clients do not pay the same fee for review of a smaller project (in terms of square footage) as a client would pay for a large project. This fee structure is more equitable and allows the applicant to better understand the cost of their permit. For land use and land division applications, the fees recognize the various types of environmental review that can occur. The fee structure reflects the difference in the time it takes to process a specific type of environmental determination and the difference in resources required to process a simple application compared to a complex application. Many of the fees on Planning and Building’s fee schedule are rarely if ever used but have been put in place in case these projects are proposed by applicants.

Almost all of the department's fees are recommended to remain unchanged and thus revenue from fees is projected to be level with FY 2013-14.

Five new fees are recommended in order to provide for lower fees for smaller and less complex projects. All of these new fees are set at lower levels than fees that would currently be applied to reflect reduced scope or complexity of building permits being processed. As an example, an applicant applying for a residential remodel permit for an area less than 250 square feet would currently pay \$266 for a plan check permit. A new fee is proposed for such an application that would cost the client \$67, resulting in a savings of \$199 or 75%. Savings to clients resulting from these five new fees range from \$67 - \$220 (34% - 85%). Two of the new fees associated with permits for re-roofing residential structures will now be issued over the counter providing savings to the customer of both cost and time.

One fee is recommended to increase – the fee for a minor Code Enforcement Violation is increasing by \$224 or 34%). Planning and Building proposed to gradually increase this fee to full cost recovery and phased this increase over a two year period. The recommended fee for FY 2014-15 is set at full cost recovery.

In addition to the few changes in fees, Planning and Building have also made two changes to the Footnotes. A clarification was added to the end of Footnote 1 stating that billing for peer review and consultation review of major projects performed by consultants will be set at the consultant's hourly rate (typically between \$125 - \$150/hour). The second change is the addition of Footnote 43 to document the dry well waiver the Board approved on August 27, 2013 for electrical service fees assessed in connection with the establishment of a new well.

Almost all of the recommended fees for Planning and Building are set at full cost recovery. Per Board policy, 7 fees and fee deposits have historically been set at less than full cost. The General Plan, Voluntary Merger and Pre-Application Meetings, as noted below, have been reduced below cost to encourage use. The General Plan fee, however, is subject to full cost recovery techniques if the processing cost of an application will be substantially in excess of the fee/deposit, as described in footnote 1. The appeal fees continue to be set below cost to allow for the process to be affordable to the appellant.

The fee revenue for FY 2014-15 is projected to be essentially level with the FY 2013-14 budgeted amount of almost \$4 million. The projected revenue of is approximately \$38,000 less than the FY 2012-13 actual revenue realized. It is important to note that the Board of Supervisors authorized fee waivers totaling more than \$104,000 in FY 2012-13.

Public Works – Fund Centers 130, 201, 245

As shown in the chart below, the fee schedule workbook being submitted by the Public Works Fund Centers contains a total of 40 fees. Individual fund centers' fees are discussed below.

| Total # of Fees | # Fees Unchanged | # Fees Increasing | # Fees Decreasing | # New Fees | # Fees Deleted | Net # of Fees |
|------------------------|-------------------------|--------------------------|--------------------------|-------------------|-----------------------|----------------------|
| 40 | 13 | 14 | 13 | 0 | 0 | 40 |

Public Works Special Services – Fund Center 201

| Total # of Fees | # Fees Unchanging | # Fees Increasing | # Fees Decreasing | # New Fees | # Fees Deleted | Net # of Fees |
|------------------------|--------------------------|--------------------------|--------------------------|-------------------|-----------------------|----------------------|
| 23 | 5 | 11 | 7 | 0 | 0 | 23 |

As in previous years, the methodology used to calculate the FY 2014-15 fees was an average of the prior two (2) fiscal year (2011-12, 2012-13) actual cost with a 0.09% CPI and countywide overhead calculation of 3.42%. Countywide overhead includes the amount charged by the Public Works Internal Services Fund (ISF) to its divisions. There were several exceptions to this methodology: 1) the Filing Corner Records fee is based upon state statute; 2) the Road Exception Requests, Flood Hazard Report, and Annexation Map Review fees were increased by the CPI factor and countywide overhead calculation (noted above) as there is insufficient historical costs or service units to use the two-year average cost method; and 3) the Record of Survey fee was calculated based upon the method noted above but will be charged at half cost per Board direction. The majority of the fees charged by this fund center are at full cost recovery.

There are a total of 23 fees charges by the Special Services fund center. No new fees are recommended for FY 2014-15, five are recommended to remain unchanged, 11 to increase and seven to decrease. Cost recovery for these fees range from 21% to 100%.

Increases for 11 fees range from \$.06 to \$117 (4% to 49.2%). As noted above, increases are based on an average of the past two (2) fiscal years adjusted for CPI and countywide overhead calculation. The largest dollar increase, \$117 or 49.2% is for the Assessment Apportionment fee. In prior years, this fee was adjusted by the CPI and countywide overhead calculation method as there was insufficient historical data to use the standard methodology described above. This change in methodology accounts for the majority of the increase. Cost recovery for these fees range from 5% to 100%.

Decreases ranging from \$12 to \$878 (5.7% to 45.9%) are recommended for seven (7) fees. These fees are at 100% cost recovery. The largest decrease, \$878, is for the Parcel Map Application fee (indicated #1001). This fee fluctuates from year to year depending on a variety of factors including staffing levels, complexity of map reviews, and the economy.

Public Works Special Services' FY 2014-15 fee revenue is estimated to decrease by \$43,587 or 18% as compared to FY 2013-14 budgeted fee revenue of \$246,744. This revenue projection does not include any fees that are based on actual cost. Actual revenue for FY 2012-13 was \$391,249 which includes fee revenue based on actual cost and/or deposit.

Roads – Fund Center 245

| Total # of Fees | # Fees Unchanging | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|-----------------|-------------------|-------------------|-------------------|------------|----------------|---------------|
| 14 | 5 | 3 | 6 | 0 | 0 | 14 |

The methodology used to calculate the FY 2014-15 fees did not differ from previous years. Fee increases were based on the average actual cost associated with the past three (3) fiscal years (2010-11, 2011-12, and 2012-13) and a countywide overhead calculation of 3.45%. Countywide overhead includes the amount charged by the Public Works Internal Services Fund (ISF) to its divisions. Exceptions to this method are the Transportation Encroachment and Transportation Blanket Encroachment Blanket permit fees which are set by CalTrans.

There are a total of 14 fees charged by Roads. Five (5) fees are recommended to remain unchanged, three (3) fees are increasing and six (6) fees decreasing.

Six fees are proposed to decrease \$1-\$158 or 0.2% to 37.8% primarily due to a reduction in costs to provide the various services. The largest decreases include the Curb and Gutter Waivers (\$110 or 37.8%), and Utility Encroachment (\$158 or 34.6%). These fees remain at 100% cost recovery.

A total of three fees are proposed to increase by 2.9% to 43.7% (\$2 to \$600) as a result of the methodology described above. The largest increase (\$600 or 43.7%) is for Utility Blanket Encroachment (this fee is charged to utilities companies). In addition to the increase in actual costs, the number of units of service is projected to decrease thus contributing to the overall fee increase. These fees are set full cost recovery.

Revenue from fees is projected to increase by 7% or \$11,439 as compared to FY 2013-14 budgeted amounts of \$165,834. This projection does not include a projection of revenue based on actual cost and/or deposit. Actual revenue for FY 2012-13 was \$176,968 which includes fee revenue based on actual cost and/or deposit.

Treasurer-Tax Collector-Public Administrator – Fund Center 108

As shown in the chart below, the fee schedule workbook being submitted by the Treasurer's Office contains a total of 35 fees:

| Total # of Fees | # Fees Unchanged | # Fees Increasing | # Fees Decreasing | # Fees New | # Fees Deleted | Net # of Fees |
|-----------------|------------------|-------------------|-------------------|------------|----------------|---------------|
| 35 | 34 | 0 | 0 | 1 | 0 | 35 |

The methodology used to calculate proposed fees has not changed from prior years. Fee calculations are based on average productive hourly rate, indirect cost rate proposal (ICRP), and time studies. These methods were utilized for all fees, except for the Card Games or Tables for Hire Fee, which were determined based on a survey of comparable counties to determine an appropriate fee amount.

The department is not requesting that any fees be deleted, increased or decreased. One new fee is proposed to be added to the department's fee schedule.

The department is requesting to add a new statutory fee, as a result of SB 1186, which enables the addition of \$1 surcharge on new business licenses and renewal licenses. The County retains \$0.035 of each \$1 collected, to be used to increase access for the disabled to businesses through inspections and other oversight by County agencies.

Overall, FY 2014-15 fee revenues are expected to decrease 2.8% (\$11,806) compared to FY 2013-14 budgeted fee revenues, due largely to a projected decrease in public administrator fees, due to a large estate closing in FY 2013-14 and there being no expectation of similarly sized case in FY 2014-15.

ATTACHMENTS

1. Summary of Changes Schedule A
2. Summary of Changes Schedule B
3. Notice of Public Hearing
4. Fee Ordinance